

## MINUTES

### COUNCIL ON RECYCLING DECEMBER 18, 2002 EXHIBITION HALL 1919 EXPO WAY MADISON, WISCONSIN

**Council Members Present:** William Casey; Carol Kubly; Daniel Meyer; John Reindl; Tracy Toltzman.

**Council Members Absent:** Jacqueline Moore Bowles; Catherine Onsager.

**Also attending:** Heather Bowman, Electronics Industry Alliance (EIA); George Dreckmann, City of Madison; Tony Driessen, Quarles and Brady and the American Chemistry Council; Toral Jha, Waukesha County; David Martens, Commerce; Cynthia Moore, DNR; Neil Peters-Michaud, Cascade Asset Management; Andy Niles, Scientific Recycling, Inc. (SRI); Mike Niles, SRI; Ken Nwankwo, DOT; Bill Tarman-Ramcheck, City of Wauwatosa; David Wood, Grass Roots Recycling Network.

**Call To Order:** The meeting was called to order by Chair Dan Meyer at 9:05 A. M.

#### **Introduction and Announcements:**

**Public Comment:** George Dreckmann, City of Madison, said that, at the municipal level, city programs are not set up to collect electronics. Electronics require a greater level of handling to keep the integrity of the electronics. If the glass is broken or other parts damaged you have lost the value of the material and have safety issues. The other option is to set up a drop-off system. Dreckmann said his experience with drop-offs is that they work only if they fit into people's schedule. For example, the sharps program, for needles from diabetics and other prescription medications, are set up at the pharmacies where people come to pick up their prescriptions. That program works well. The cost of the sharps program is shared through a partnership between the city and the county. However, a similar program, tires, is not effective at the municipal level but is effective at the retail level. It is at the retail level that people are buying tires and want to dispose of the old ones at that time. They do not want to haul them to another site. He recommends that electronics be a take-back program in partnership with the retailers. He said that CRT's should be banned from landfills. That will create a guarantee of volume. He said it is a gross inconsistency to have the same products treated differently depending upon whether or not you are a business or an individual. It makes more sense to put business and individuals on the same basis.

Mike Niles, SRI, said that the International Scrap Recycling Institute (ISRI) has a committee working on this issue. John Reindl said that many things are happening in this area. He said that the electronics industry in Canada has just signed an agreement to set up a national program where the companies will pay for recycling the material as long as it is delivered to their facilities. In the EU manufacturers will join together to cut the recycling costs of electronics. The manufacturers will have a joint contract for the recycling.

**Computer Task Force:** Dan Fields, DNR, said that the Council had agreed on three things at the September meeting. 1) A study, 2) A ban on CRT's and 3) To work with the state procurement officers. Meyer said he was surprised the study was mentioned last in the recommendations. He is glad to see it put first here. He thought that the study was needed to determine the scope of the problem. He asked what members thought about the ban. Reindl said the ban would extend to residential as well. The ban would be on CRT's and TV's. The task force recognized that they couldn't do the whole waterfront now. There are just too many products. The focus should be on CRT's since they are the largest items. Reindl also said that the state was the largest purchaser of many of these products. The state should set the standard and lead the way.

Meyer said that funding the program was an unresolved issue. Dreckmann's suggestion was a take-back program. Reindl said that every individual retailer did not need to take back the electronics themselves but could set up a system for collection. He said the ideal situation for him, as a consumer, would be to take his whole system into a retailer, have them transfer the data, set up his new system and keep his old one. Meyer asked what the task force decided. Fields said that take back was one of the options. The question became 'Where does the funding show up?' Should there be a fee at the front end or the back end or perhaps a system where it doesn't matter how the manufacturers work it out as long as they get it done? The task force was not able to reach a consensus on who should pay. Kubly said that a ban itself would be a problem. That would put the burden on the municipality. Kubly said that currently they could not get the volume. The cost for the truck and labor could be in the \$50-75 range because of handling charges. M. Niles said that some consumers are willing to pay for pick up of their computer.

Reindl said he had a proposal:

The Council on Recycling goes on record to support the National Electronics Product Stewardship Initiative and urges all members of that process to continue to work towards a comprehensive solution for the minimization of the environmental impact of computers, TVs and other electronic equipment, including the extraction of resources and the manufacture, use and disposition of these products.

The Council on Recycling further recommends that the State of Wisconsin develop a system to divert computers and televisions from landfills, with the financing of the system incorporated into the price of the product, and not incurred by local units of government or taxpayers.

He said that there are problems with the white goods model. There is no incentive for the manufacturer to design their products for recycling. The overall system must be made more efficient. They must look at the costs outside the boundaries of their own product. The EU is making manufacturers responsible after collection. That gives them an incentive to make it easier to recycle. That's one of the goals. In Canada the municipalities are responsible for collection. That is the expensive part of the problem. Meyer asked about how that would work on a national basis. Fields said that a national system was preferred by the task force. He said he believes that the manufacturers prefer a national system. He said their greatest fear is that each company would have to deal with fifty different sets of rules and regulations governing their products. A patchwork set of laws would make it difficult for them to operate. From an environmental standpoint, a national system would be preferable because then everyone is playing by the same rules. He said a national system would eliminate the internet sales and border problems. However, it is not easy to reach agreement and, even if you do, that agreement would probably need congressional approval. It is difficult to pass legislation through Congress. Even with agreement, it will be some time before a national model program could be in place.

Reindl said he heard that the national process was going well but we should not wait for a national model. We have to do what's best for Wisconsin and hope the national model is implemented. Meyer said he had a strong preference for a national model. That would enhance economic development. To have Wisconsin enact bans and set itself apart could create barriers to that economic development. Reindl said that Wisconsin set up its own recycling program and it worked well. The law was phased in, which allowed companies to gear up because they knew the material would be there for recycling. The markets were there when the bans kicked in. Other states have enacted bans and they work. We already have half of a ban since most of the materials are already banned at the business level. Kubly said we need national approach so companies have one set of rules to comply with. Reindl said the Council should support the National Electronic Product Stewardship Institute (NEPSI) process and encourages them to develop a comprehensive system that minimizes the effects of computers and TV's all the way from extraction to end of life. NEPSI has convened a stakeholders group to try to reach an agreement on recycling electronics. The group has been meeting for over two years. Reindl said we need a national process. The EU will drive some of that activity because international

companies will comply and they don't want to make a different product for each market. But Wisconsin needs to make its own decisions since we don't know if NEPSI will be successful. He proposes that we divert computers and televisions from landfills with the financing of the system incorporated into the price of the product. He said that taxpayers should not have the burden of this cost. Taxpayers also should not have to give money to the state to pay for the program. The people who use computers should pay for recycling them. He prefers the front-end approach. Let the consumer know how much the cost is for pollution. Let the free market system work. Those with the lowest costs would have a competitive advantage. Kubly asked how the computers get back to the manufacturer. Reindl said it doesn't have to go back. Manufacturers can create their own system and contract with third parties. Reindl said the manufacturer and consumer will pay, not the taxpayer. He said that DNR and Commerce should work together on this issue since it is environmental and commercial.

Meyer asked for more information on NEPSI. Heather Bowman, EIA, said that the process included 10 state and local governments and EPA, 10 non-governmental organizations (NGO's) and 10 manufacturers, including SONY, HP, Panasonic, Dell Canon and Nokia. She also communicates with 30+ other manufacturers in her organization. There are also another 15 stakeholders and 20+ observers, including environmental and reuse groups, the National Retailers Association, and other state and local governments. This is a complex issue with many different shades to it. Just in her group she has companies with different business models. Some sell from retail stores others that sell only from their own stores and other that only sell over the internet. That makes it difficult to find a model that works for everyone. A solution needs to be efficient and environmentally sound as well.

Reindl moved and Toltzman seconded that the Council go on record supporting the NEPSI process and recommending state involvement. The motion carried unanimously.

Moore said she was delighted that the Council decided to support NEPSI. She said that she has been part of the NEPSI process and has been following it for some time. As a companion to the NEPSI process NEPSI has also created model legislation. She said that the NEPSI process was going to take quite a bit of time and that it was imperative that states act on their own to deal with this issue now. She is working with other states in the region on this issue. Meyer said he would like the second part of the resolution to read that DNR and Commerce, with the oversight of the Council, develop a system etc. and send reports to appropriate committees in the legislature. He asked David Martens if Commerce would be OK with this. Martens said he couldn't make that decision for the agency but Commerce will work cooperatively to make any law work.

M. Niles said we have an immediate problem. We need to deal with these materials now. He said there is more waste created by the private sector than the commercial or business or municipal sector.

Bill Tarman Ramcheck. City of Wauwatosa, said he opposed the white goods model as being too expensive. The volume of white goods is small compared to electronics. He also said that drop-offs do not work well. He suggested: 1) Reimbursement or service offered for the collection of electronics. 2) Residential collection of electronics continues to be voluntary. 3) The program is paid for by the up-front payments. 4) The driving force is a landfill and incineration ban. 5) Establish an extended producer responsibility framework. 6) Initial ban for CRT's and then cover other electronics after 10 years or so. 7) Require independent certification 8) Require design for recyclability 9) Expand the BCE program since it is the only free service available to many municipalities.

David Wood, Grass Roots Recycling Network, and co-coordinator of the National Computer Take-Back Campaign. That group is active in 18 states promoting full producer financial responsibility for end-of-life management of discarded computers and other consumer electronics. He would support one element of the motion: holding taxpayers harmless from all costs associated with end-of-life management. He said that any system should drive fundamental design changes. The reason these products are a problem because they are toxic. Any policy or practice implemented has to have sufficient emphasis on integral changes to design and materials. He did not support putting full faith in the NEPSI process. He does not think it will drive policy in the direction we need. Discussions appear to be moving toward a front-end fee but it is unclear whether or not the process will result in a recommendation. We should pay attention to the interim or to the possibility that the process fails or runs counter to the intent of keeping

municipalities from bearing the costs of the program. Minnesota advanced legislation that set up a system where manufacturers bear responsibility for the products if the NEPSI process does not work. Reindl asked if Wood agreed with the previous speaker who endorsed the BCE. Wood said his group opposes the use of prison labor. There is a need to develop infrastructure without the use of taxpayer funded competition. The open market should be free to all. BCE's operation may hinder the development of that infrastructure. Wood said that the federal program is not subject to OSHA regulations. It is imperative that everyone engaged in this work be offered the full protection of the law. Also, inmate laborers are not paid but afforded compensation that is not at a fair market rate. M. Niles said that BCE was having trouble disposing of the electronics it has collected. He said that their program was not doing what it was meant to do and that was to train workers. Tarman-Ramcheck said he would be happy with any group that would accept electronics from them at no cost. BCE was simply the only one at this time. Meyer said that the Council is on record as having questions about the BCE program. He suggested that the Council look at this again. This subject should come up in the budget. The Governor should look at this and decide if this is something the state must do or if this is something that can be turned over to the private sector and save the state some money. Kubly agreed with Meyer.

Karen Fiedler, Waukesha County, suggested that the second portion of the recommendation be revised to say we work in cooperation with other states and divert electronics from landfills for recycling. She also strongly supported the idea that local taxpayers and municipalities not have to bear that burden. Meyer said it is implied that the material be recycled.

Bowman said that CRT' included TV's. 98% of people have TV's. We need to figure out how to handle this in an environmentally sound way and keeps the cost as low as possible. We need to keep it reasonable so people will take advantage of it. We also need to look at what consumers are willing to do. Participation rates are the same if there is a fee or not. People are willing to pay to keep out of the landfill. We need to find out, on a national basis, how to solve the financing. This is the number one priority for her members. She is optimistic about the NEPSI talks. She recommends looking toward NEPSI for a solution. There are options in the meantime. We need to educate consumers on options. EIA and EPA are working on an education campaign. She understands that there is a cost to bear for municipalities. She said that consumers are willing to pay. There is nothing a manufacturer to learn from recycling 20-year old TV. Her members are spending millions on research and development.

Peters-Michaud suggested that the language say to support reuse and recycling. Reindl said that the language does not use the word recycling. Meyer said we can add that. Petrrs-Michaud said that he was worried that losing the progress we have already made. We need specific directions and parameters. He supported the ban with a date certain in the future. The date will help companies ramp up. He also suggested short-term assistance for collection efforts. A grant program to all collectors may work. The grant would be available to retail as well as municipal sites. He supports the thrust of the recommendations. Reindl said that his resolution was in addition to the three items the Council had already agreed upon. Kubly asked what a date certain meant. Reindl replied that he wanted the legislature to put together a program similar to the appliance ban. Kubly said she was not in support of a ban. She said she was worried that the burden would go back to the municipalities with a ban. Reindl said it should not fall on municipalities. Toltzman said that without the current bans in place we would not be recycling cans and bottles and paper at the levels we are now. Kubly said that that burden does fall on municipalities. There needs to be a structure in place by take back or by the retailer but some way to do the recycling. Electronics are small and easily concealed. That is a problem. Reindl said we will never get 100% but right now we are at 5%. With a ban and lead-time for implementation we will get to 75-80%. There will be more competition by ensuring materials will be available. Extending the ban to homes will also ensure more businesses will recycle because there will be no where else to go. Meyer said he was reluctant to support a ban. Lead-time to allow infrastructure to develop is a key factor. Kubly wanted to make sure that the lead-time was long enough to allow the infrastructure to develop. Fields asked if Kubly had a time frame in mind. She said she was still concerned about the ban language. Moore said she was getting calls about companies wanting to start collecting electronics. She said she did not want to limit the ban to CRT's. She would like to phase in other electronics, such as cell phones and flat screen TV's. Reindl said that we needed to focus on the largest items first.

Tony Hainault, Nxtcycle, said he supported the NEPSI process and the comments presented by Peters-Michaud. He said that Wisconsin has a history of dealing with recycling in a way that is unique to Wisconsin and that works for Wisconsin. Wisconsin has been successful, in emphasizing market development. When asked about the Norwegian system he said that Norway is unique because it is a landlocked market.

Meyer asked if Kubly would support the resolution if the language was changed to 'consider a ban with lead time'? Kubly said she was not in support of a ban. Toltzman said that at the last meeting the Council supported a ban and that was also the recommendation of the task force. Kubly said we should find out what the study says first. She was concerned that how we get material to the recyclers. A study may help. Toltzman said the study was not expected to give us anything but the scope of the problem. It may give information on length of lead-time. Reindl said that any material that fails the TCLP test and is banned from commercial disposal should be banned from household disposal. By putting a ban on and giving lead-time, the infrastructure would develop. He said we need to keep the pressure on or we will be dealing with this issue five years from now. We would not have the recycling programs we have without the ban. No ban, no progress. He said to remember the mercury situation. The industry came and supported a ban to level the playing field.

Kubly moved, Meyer seconded that the Council "ask that a ban be considered." Toltzman said that the full language was not before them and therefore we could consider that change. We need to take the initial recommendations, reflect the changes we have made and vote on that document. Fields was asked to revise the minutes to fully show the language from the previous full meeting. Kubly tabled her motion.

Kubly moved and Reindl seconded the original motion as modified by the following language: DNR and Commerce, with Council on Recycling oversight, work in cooperation with other states to divert computers and TV's from landfills and focus on reuse and recycling and report to the appropriate committees in the legislature on the progress. The motion passed unanimously.

Toltzman asked about financing. Kubly said the resolution we just passed says that manufacturers, not taxpayers, should pay. Toltzman said the cost should be incorporated in the price of the product. Reindl said there is no recommendation on whether it should be a visible or invisible fee.

Toltzman asked about certification. Moore said she gave those recommendations at the 11-13 meeting. Fields said he would put those comments into the recommendations document.

Toltzman said that BCE was not in the document. Meyer replied that there was not enough information to make formal a recommendation. He said the Governor should look at that in his budget review.

#### **Other Business:**

The next regular Council meeting is Thursday, January 16, 2003, at 4:30 PM at the Kalahari Resort, Interstate 90/94 and Highway 12, Wisconsin Dells.

Potential agenda items: final vote on electronics recommendations, mercury products, tour of ReStore in Madison (March meeting).

**Adjournment:** Kubly moved, Toltzman seconded. The Council adjourned at 11:15 A.M.

Respectfully submitted by Daniel B. Fields, Department of Natural Resources.